

Amendment No. 1 to HB1692

Sargent
Signature of Sponsor

AMEND Senate Bill No. 1728

House Bill No. 1692*

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 7-53-305, is amended by deleting subdivision (e)(1)(F) in its entirety.

SECTION 2. Tennessee Code Annotated, Section 7-53-305, is further amended by deleting the language "to the governing body" from subdivision (e)(1)(H).

SECTION 3. Tennessee Code Annotated, Section 7-53-305, is further amended by deleting the language "allocated according to the economic development agreement" from subdivision (e)(1)(K) and substituting instead "allocated between the city and county according to the economic development agreement".

SECTION 4. Tennessee Code Annotated, Section 7-53-305, is further amended by deleting subsection (b) in its entirety and substituting instead the following:

(b)

(1)

(A) The corporation has the authority to negotiate, accept, or waive from any of the corporation's lessees payments in lieu of taxes only upon receipt of a formal delegation of such authority from the municipality or municipalities that formed the corporation. Any such authorization shall be granted only upon a finding by the municipality or municipalities that the payments or waiver of the payments are deemed to be in furtherance of the corporation's public purposes. The legislative body of the municipality or municipalities making the delegation may require the corporation to submit for approval any agreement with any of the

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corporation's lessees providing for the acceptance or waiver of payments in lieu of taxes.

(B) No agreement providing for the acceptance or waiver of payments in lieu of taxes, including any renewal or extension of such agreement, entered into by a municipality or corporation to which such authority has been delegated shall result in a corporation's lessee making payments in lieu of taxes in an amount less than the applicable ad valorem taxes for a period that is greater than twenty (20) years plus a reasonable construction or installation period not to exceed three (3) years, unless both the commissioner of economic and community development and the comptroller of the treasury have made a written determination that the agreement is in the best interest of the state.

(C) The corporation shall attach to each agreement an analysis of the costs and benefits of the agreement, in such manner and under such conditions as shall be prescribed by the commissioner of economic and community development or the commissioner's designee.

(2) With regard to any project located within an area designated as the center-city area by a municipality in which there has been created a central business improvement district pursuant to the Central Business Improvement District Act of 1971, compiled in chapter 84 of this title, the amount of such payments shall not be fixed below the lesser of:

(A) Ad valorem taxes otherwise due and payable by a tax-paying entity upon the current fair market value of the leased properties; or

(B) Ad valorem taxes that were or would have been due and payable on the leased properties for the period immediately preceding the date of their acquisition by the corporation.

(3) The minimum payments in subdivisions (b)(2)(A) and (B) shall not be applicable to an eligible headquarters facility.

SECTION 5. Tennessee Code Annotated, Section 7-53-101, is amended by adding the following language as new, appropriately designated subdivisions:

() "Applicable ad valorem taxes" means any ad valorem taxes that, but for ownership of a project by a corporation, would have been due and payable pursuant to §§ 67-5-102 and 67-5-103;

() "Payments in lieu of taxes" means any amount negotiated separately from rent in lieu of applicable ad valorem taxes;

() "Rent" means a charge for use of property, including the lessee's obligation to repay debt issued or assumed by a lessor, or rent implied by the lessee's stated obligation to construct improvements;

() "Waiver" means an agreement that does not require the payment of any payments in lieu of taxes for a period of time;

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.